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cc:

Subject: interview

Diane FYI notes from yesterdays interview with Furuichi



2nd Interview with Mr Furuichi.

Regards

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The second interview with Mr. Furuichi was held on June 6. To start I asked him to define in his own words the expression/words that are used in discrimination cases. I also asked him if he is familiar with MIC discrimination and harassment policies. He was not familiar any longer with the details of MIC's policies (9 years since he worked here) but he is familiar with the policies of MC. The words asked and defined follow:

Discrimination – making sure people are treated equally (defined it as an absence of unequal treatment)

Harassment – making sure people are not unreasonably unhappy – **sexual harassment** – between a man and a woman – no touching or verbal situations that would make the person uncomfortable.

Sexual Orientation – no discrimination based on man to man (homosexuality)

National Origin – no discrimination based on where people are from need to work well with other.

Next I asked Furuichi san to recap the china trip. Idea started back in the summer of 2004 when Jim, Mr. Yue and Mr. Zhang met in London to discuss potential business opportunities in China. Mr. Zhang invited them to China at some non-specific time. In January a new paper person was hired in Germany, Mr. Karn. In April of 2005 a trip was arranged and Mr. Furuichi asked Jim to attend. Jim and Furuichi san met Sunday night in Tokyo. The next two days in Tokyo were spent visiting customers and at meetings. On Wed. Jim and Furuichi san left for China where they would meet Mr. Yue and Mr. Zhang. (Furuichi san did not think Jim was needed on the trip but wanted to motivate Jim and to build his image before Mr. Takahashi). After a plant tour of Anne they went to dinner with Mr. Zhang for an evening of drinking (as is custom Mr. Zhang planned the restaurant etc). They went in Mr. Zhang's car (he drove) along with Furuichi, Yue, and Jim. Furuichi cannot recall the bar but thinks they left the restaurant about 11 or 12. On the way to the bathhouse Furuichi does not recall any discussions or reluctance on the part of Jim to go to the bathhouse. In fact his memory is that everyone was happy to go. If Jim did not want to go and said so they could taken him back to the hotel (evidently these places are fairly close to each other). The massage took about an hour. On the way back to the hotel Jim did not say anything or seem angry. They continued on the trip winding up on Friday. Jim was fine went out to dinner (now joined by Mr. Karn) apparently no issues. Jim went sightseeing on Saturday – Great Wall. Although Jim went to dinner he and karn went back to the hotel before others went to the bathhouse.

The following section deals with Mr. Furuichi responding directly to the points in the complaint:

#10 - Furuichi did not manage Jim or any MIC employee. He managed the marketing and sales of paper on a worldwide basis. He was not responsible for completing or providing input on any employee's performance appraisal. He did not have impact on

salaries nor is he involved in any individual employee's bonus target or the formula for providing payment. He did however work with MC to establish overall sales, gross and net profit targets for the business and subsequently the overall business targets at various MC offices and MIC. He would work with Torao san on the MIC number. Once Torao san got back to him he would check to see that the number was reasonable not too high not too low. Furuichi san, however, has nothing to do with assigning targets to individuals just the total Department number. He mentioned that Mr. Takahshi and Mr. Fuji did not ask his opinion on performance at all about any one. He did speak to Torao about operating business concerns like accounts receivable collection, credit, proper scheduling of business trips and use of time on trips. He was concerned that department members were not being managed but discussions were more focused on getting Torao to pay attention to these issues with staff than they were being critical of staff. He thinks the staff at MIC may be concerned with him coming because they know they will be managed and held accountable. Not just a concern that Jim has. Furuichi san (half jokingly) that he thinks everyone hates him.

#11 – This statement is accurate although as Furuichi remembers it, Mr. Zhang drove the car, which belonged to him.

#12 – Mr. Furuichi does not remember going to Karaoke. He also does not recall saying to Jim you will be the target. As a hypothetical if he did make such a statement he believes it would have referred to the drinking and would have been said at the restaurant or before going. The reason is by custom a first time visitor to China is often encouraged to drink to the point of passing out. This was Jim's first visit. When asked about the drinking that night Furuichi said he thinks Jim drank moderately while he and Mr. Yue drank heavily but not to the point of slurred speech or passing out. He said Anne (Mr. Zhang) typically does not press guests to over drink as other Chinese business people do. He is also more sensitive to Westerners in this respect.

#13/14 – Furuichi san does not recall the exact time or if they went to the bath house from dinner or Karaoke. He does not recall any specific conversations including Jim being insistent on returning to the hotel. He thinks that if that occurred he would have let Jim go back to the hotel (actually hotel was not so far from the restaurant, bathhouse etc so dropping Jim off not an issue).

#15 – He thinks this statement is false. He has no interest in seeing Jim undressed.

#16 – Furuichi san has no recollection of a conversation like this. Again hypothetically if such a conversation was initiated by Mr. Yue, Furuichi may have joined in but it is not his way to talk about this type of thing. I asked about the complaint's reference to "Italians" and he said Jim was very proud of being Italian and spoke about it frequently.

#17 – He does not recall if Mr. Zhang was with them or not. Mr. Zhang goes there frequently so may have been carrying on a conversation with the receptionist and did not immediately come in.

#18 – Mr. Yue made the comment but does not think /remember any touching. He said he himself is not inclined to touch people; Mr. Yue may have but does not recall.

#19 – He does not remember any thing to do with the cell phone or a picture.

#20 – Does not remember this happening but hypothetically if it did, Mr. Yue would have deleted it as soon as he knew that Jim was upset and Furuichi san would have insisted.

#21 – Does not recall a statement like this. Again conversations about male genitals are not a topic he would bring up.

#22 – There was no indication at all that Jim was shocked and embarrassed either in the way he acted or anything he said as far as Furuichi recalls.

#23 – This is accurate but he thinks Mr. Zhang may have left alone leaving Mr. Yue, Jim and him to get a taxi back to the hotel – but not sure.

#24 – Furuichi and Jim have traveled together since China trip and/or met at places:

2005 – 6-16 went together to Fla. to visit Eastern Ribbon.

August together in the NY office

10-5 met in Germany for a sales meeting

December NY office meeting

2006 – January met in Germany to see customers had dinner with customers on 2 nights

Sept. met in Germany.

Overall in 2006 Furuichi did not travel much as he was moving the paper business to a Subsidiary Company and was very busy.

#25 – Furuichi said he has been critical of the lack of management in NY and the staff overall. He thinks that Mr. Torao does not hold people accountable particularly for activities on business trips - should have more of an agenda and reason to travel. As noted earlier he did not supervise Jim and did not have input to his compensation and promotional opportunities. He believes however that Jim is still a good sales person although he has lost his passion to create new business. Looking back over Jims Time with MIC – Mr. Furuichi thinks he did a very good job his first 4 or 5 years. In 2004 and 2005 he was ok but started having some issues like the credit rule being violated with Eastern Ribbon (failure of Ted Rice and Jim). Since 2005 he thinks Jim' performance has gone down. When asked why he said:

- Moved to LI from Manhattan so unwilling to put in the hours he did before.
- He thinks Jim made a lot of money when he sold his apartment so perhaps less Motivated
- There are limited promotional opportunities given the size of the department
- Mr. Takahashi did not think well of Jim and ignored him
- MC is being much more insistent on tightening controls on credit, traveling, expenses etc
- Much stronger push in NY to create new accounts